NO. 88-7654

IN THE
SUPREME COURT OF THE UNITED STATES
October Term, 1988

Supreme Court, U.S.
FILED
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JOSEPH F. SPANIOL, JR.
CLERK

THANH VONG HOAI,
Petitioner,

v.

THANH VAN VO, THACH DUY NGUYEN, MY-LINH D. SOLAND, NGUYEN THI BACH LUU, THANH VAN VO, SUNTECH SUNOCO, INC., and MICHAEL ARIF,
Respondents.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Fourth Circuit

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APPENDIX II (Supplemental) PART B

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(Supplemental) APPENDIX II

PART B

Partial text of the Sworn Affidavit of the PLAINTIFF/PETITIONER THANH VONG HOAI of March 25, 1987.

Paragraphs 79) through 203) pp 57-140

(Remainder of Affidavit in previous or subsequent parts.)

and Luu: The Mekong Center Food Business

79) The defendants MINH and LUU are man and wife and their involvement in these matters and their participation in the fraud and extortion practiced against me came about as follows:

80) When my wife and I came to Northern Virginia in 1976 we had been married a short time, having married in Oklahoma. We became acquainted with the defendants MINH and LUU who ran a business known as the Mekong Center, a specialty oriental food business catering to the Vietnamese, Chinese, Thai and other oriental ethnic communities of Arlington County, Virginia and nearby areas. This business was located in the building at 3107 Wilson Boulevard, Arlington County, Virginia.

81) I shopped with my wife, like many members of these local oriental communities, shopped from time to time in this food store run by defendants MINH and LUU. Both my wife and I became acquainted with both of these defendants as customers in their store.

82) At this time the Mekong Center appeared to be a popular store and restaurant with the local oriental communities and, as far as I knew Minh was a prosperous local business.

83) In The Republic of South Vietnam, like many people, I had known of the defendant MINH and knew that he had a reputation for fraudulent schemes and involvement in the black market but I felt that all such things had been left behind when the members of the population there came to the United States and that all

were starting a new life here.

84) In 1979 I started with my own gas station as a Texaco dealer,and that year my wife and I were doing well.

85) Seeing that my wife and I and (by this time) our children were doing well, in 1979 the defendants MINH and LUU invited plaintiff and his wife to their home. We became social friends, introducing them into our social circle.

86) My wife and I and defendants MINH and LUU remained social friends on this basis, with no discussion of business dealings together, until 1983.

87) One day in the summer of 1982 or 1983, as I entered the Mekong Center Food Store building on my way to the restaurant on the second floor which the defendants MINH and LUU had recently opened at that time as an adjunct of their food store

business, the defendants MINH and LUU stopped me as I passed by the food store on the first floor and told me that they had a problem with the purchase of a piece of land at the corner of Lee Highway and Route 7 in Falls Church, Virginia, in that they had put down a down payment of thirty-five thousand dollars ($35,000.) and settlement was to be that very day but they, defendant MINH said, did not have the balance of the money to complete the purchase of the land. The total purchase price of the land, as stated by defendant MINH on that occasion, as I clearly now recall, was approximately two hundred and seventy-five thousand dollars ($275,000.).

88) At this time, defendant MINH then asked the plaintiff to immediately lend him fifty thousand dollars ($50,000.) which he said was what he needed to

complete the purchase of the aforesaid land at the settlement for the purchase of the land scheduled for that day and a bank was willing to finance the rest (Either First Virginia or First American.)

89) To this request I had to reply that I did not have such an amount of money to lend the defendant MINH but that I would help the defendant MINH in this way: If the defendant MINH knew a person who had such an amount of money that he could lend the defendant MINH, then I said that I would pledge my car wash equipment, lease and business to be security for such a loan. The defendant MINH said he knew such a person, one Duong. Immediately, defendant MINH, without looking up any telephone number, picked up the telephone in the food market and dialed a number with me looking on. I

heard the phone answered "Mr. Duong". Defendant MINH then told the person on the other end of the line that he had Mr. HOAI with him who would put up his car wash as security so that Duong could lend defendants MINH and LUU "that $50,000."

90) Then defendant MINH handed the telephone to me, and after an exchange of pleasantries with the person on the other end,I comfirmed what defendant MINH had said was true and that I was prepared to put up my car wash as security if the person om the other end of the line would loan the money because he wanted to help Mr. MINH.. The person who had answered as Mr. Duong than said he knew of me and that he knew that I was a person worthy of trust and that it would not be necessary for me to put up my car wash to secure the loan but that he would lend defendants

MINH and LUU the money because of my evident willingness to trust them enough to pledge my car wash as security.

91) Immediately then defendant MINH got in his car and went to get the money from Mr. Duong.

92) The next day, defendant MINH called plaintiff at his car wash on the telephone and told me that the deal for the aforesaid land had been settled and closed. He then invited me and my wife to have dinner that evening with defendants MINH and LUU to celebrate, which we did.

93) I have learned on information and belief, based on knowledge subsequently acquired, that the defendants MINH and LUU used this land to perpetrate acts and threats involving extortion in violation of 18 U.S.C. 1961 (A), acts indictable

under 18 U.S.C. 1343 relating to wire fraud, acts constituting securities fraud and thereby violating Section 10 of the Securities and Exchange Act of 1934 (15 U.S.C. 78j) and Rule 10-b (5) of the United States Securities and Exchange Commission promulgated thereunder, as well as in violation of Section 27 of the latter act (15 U.S.C. 78aa.), which fraud, though it did not harm me directly at the time, was part of a pattern of racketeering activity which produced income for defendants MINH and LUU which ultimately was used to take from me my own businesses as set out herein, viz:

94) Defendants MINH and LUU represented to the Washington Metropolitan Area ethnic Vietnamese community that they were going to build on this land at Lee Highway and Route 7 which I had offered to

go security for the purchase of, a building called the "Mekong International Center" to be built on this land. To that end, starting about three weeks after the dinner of celebration of the closing on the settlement of the land described above, these defendants had made a series of architectural plans, at first for a building three stories on the site, then for a building of five stories and finally for a building of ten stories. They represented to the Washington Metropolitan area ethnic Vietnamese community in newspaper advertisements in the Vietnamese Washington Post (English translation), an advertiser supported weekly newspaper that circulates and is circulated by its publisher in interstate commerce in Virginia, the District of Columbia and Maryland, and asked for investments in

this purported building project in the form of purchases of opportunities to own a shop, office or other business in the proposed building. These advertisements requesting such investments were for investments in leases in the proposed new building, the Mekong International Center, in amounts on the order of thirty, forty and fifty thousand dollars ($30,000.; $40,000.; $50,000.) for which the investor was to receive a lease entitling him to space in the building. The ads gave work and home phone numbers for defendants MINH and LUU.

95) Many members of the Washington Metropolitan area ethnic Vietnamese community did call defendants MINH and LUU in response to these ads in interstate commerce and ask either MINH or LUU about investment in the proposed new building.

I have this on information and belief and also, in many instances because I was at the specialty food store owned and operated by these defendants on Wilson Boulevard when the people called in response to the ads. Indeed, I sometimes answered the phone myself when they called.

96) When such investors called MINH or LUU would find out from them such facts as how much money they had to invest, how many square feet the potential investor wanted in the building that these defendants were representing they were going to build and so forth, telling the investors who called that they would have to put up a substantial deposit to assure themselves of priority and a good location in the purported new structure and that they would have to meet MINH or LUU at

MINH and LUU's home and make their deposit and get a receipt. All this was done on the phone and the potential investor did not realize he'd be defrauded.

97) In fact all of this was a fraud. Defendants MINH and LUU never had any intention of actually building a building and never did so. In fact they never even broke ground. They put up a sign and advertised that they were going to build, including representations in local newspapers, but sold the land in 1984 as still undeveloped to others for a profit of approximately three hundred and sixty-five thousand dollars ($365,000.).

98) Although, under compulsion and threats of legal action MINH and LUU gave some of this profit to repay some of the defrauded investors, many of the investors were never repaid their deposits which

they had put up on their supposed investment and many received only part of their money back.

99) A special class of investor in this fraudulent investment scheme using wire fraud was the "immigrant investor," of whom there were a number. These were members of the local ethnic Vietnamese community to whom these defendants applied a special form of extortion. Defendants MINH and LUU would ascertain that these investors had a hidden amount of money which they did not report to state and/or federal welfare authorities to whom they applied for and from whom they were receiving payments to which they claimed entitlement because of poverty. Defendants MINH and LUU extorted their deposit money from these investors and refused to return it by threatening these

investors that they, MINH and LUU, would turn them into the authorities and have them prosecuted for welfare fraud if the dared to try and get their money back. There were a number of such investors in this category.

100) Other investors in the scheme were extorted of and defrauded of their deposits by other threats.

101) About three months after the dinner of celebration alluded to above, the day after I had offered my car wash equipment, business and lease as security to Mr. Duong, the defendants MINH and LUU asked me to invest in this project by buying a lease for a movie "entertainment center," in the proposed building. Defendants suggested that I invest "as much as I could." (translation into English.) They offered to go to the bank

and borrow money for me which they in turn would lend to me for any additional funds I needed. But I declined. This scheme was a fraud and deceit designed to get me into their power financially for purposes of extortion and fraud as later events showed. But on this occasion I had avoided the trap.

102) When I decided to refuse to invest in this fraudulent project aforesaid by refusing to invest in a movie and entertainment center lease, defendants MINH and LUU "cut" off me and my wife socially by not contacting us any more and ceasing to invite us to their home. In response I and my wife ceased shopping and eating at the Mekong Center.

103) So I did not see these defendants thereafter for about a year, until December of 1984.

104) In December of 1984 I decided one day to eat lunch in the second floor restaurant of the Mekong Center, the establishment on Wilson Boulevard. I had already heard at this time that defendants MINH and LUU no longer ran the restaurant part of the Mekong Center but rented it out to someone else.

105) When I had just entered the ground floor of the Mekong Center on this occasion I was again hailed by the defendants MINH and LUU who were there in the ground floor specialty food shop. They hailed me with overly effusive greetings, expressing their pleasure at seeing me after not seeing me for so long. They told me that they were again in desperate trouble. That they had again purchased a piece of land, this time a parcel of 93.7 acres or thereabouts on

Braddock Road in Fairfax County, Virginia. This time, as they related it, they had paid down 3 or 4 thousand on the land, which had a purchase price of about five hundred thousand dollars ($500,000.) and they had a closing at which they gave some notes with stiff penalties if not paid on time. A note, or portion of a note, they informed me, for one hundred or one hundred and twenty thousand dollars ($100,000. or $120,000.) had come due and they had been unable to pay it. Now, they said the seller of the land would not take any money even if they had it and had sued them to get the land back and get from them as well an amount of five hundred thousand dollars ($500,000.). They explained to me that they had been to many lawyers and banks and no one had been able to help them out.

106) I agreed to help them out, I took them to a lawyer I knew, James Fourqurean, Esquire, who, on my personal recommendation, agreed to represent them. Then I worked along with Mr. Fourqurean for over a month helping with their problem and it was worked out eventually by Mr. Fourqurean, with my assistance. The land was saved and the suit against defendants MINH and LUU was settled. Recently it has been reported in papers that these defendants have sold this parcel of land to George Mason University for 1.3 million dollars.

107) At the time that these defendants asked for my help in this matter, in December, 1984, the defendants MINH and LUU promised to pay me if I could assist them in this matter. Before the settlement of their problems with this

land was reached, defendants promised to give me the land on which I could build a house of any reasonable size I wanted. This proved a fraud and a deception; these defendants had no intention of fulfilling such a promise when they made it and I had relied upon their promise and completed my work for them to my subsequent harm. After the problems were resolved, the defendants MINH and LUU shocked me by saying that I had done nothing to help them and defendant MINH asserted to me that he, MINH had done everything and that I had done nothing.

108) This ingratitude angered my wife and because of their ingratitude she and I agreed that we would again cease to have anything to do with defendants MINH and LUU.

109) Although I did see defendants

MINH and LUU a few times from early 1985 until 1986, I did not talk to them at any length except in November of 1985 when defendant MINH called me on the telephone to tell plaintiff that defendants MINH and LUU had a buyer for the land on Braddock Road at a price of one million, one hundred and eighteen thousand dollars. ($1,118,000.) On the occasion of this phone call the defendant MINH assured me that he and defendant LUU had not forgotten me and were going to give me sixty thousand dollars for my help if they sold the land in response to this offer. On this occasion my wife, in light of the prior treatment of her husband by defendants MINH and LUU, asked me please not to have anything more to do with these two defendants.

110) So, when defendants MINH and LUU

again called plaintiff at home a week later and asked plaintiff to take the purchase offer they had received for the land on Braddock Road and go to a bank for them to borrow against it, I asked them to meet me at my place of business, the van conversion shop, to show me the purchase offer document and explain to me exactly what they were requesting.

111) These defendants then did come to my work shop and explained to me that they could not borrow from banks any more because banks wouldn't lend to them and they wanted me to go to a bank and borrow for them against the purchase contract in the amount of one hundred thousand dollars ($100,000.).

112) They showed me the purchase contract which they represented to be the offer they had received from a church that

was a firm offer. In this purchase contract document the purchase price for the land on Braddock Road was set out at one million, one hundred and eighteen thousand dollars ($1,118,000.).

113) I did approach a bank for the defendants MINH and LUU with the purchase contract for the land but a week later the bank informed me it could do nothing for defendants MINH and LUU about the land. Angry that a bank would not lend such a relatively small amount of money against a purchase contract for such a large purchase price, I then called up the person from the church purported to be the purchaser whose name and number were on the purchase contract. This individual informed me over the telephone that the land was not worth more than six hundred thousand dollars ($600,000.) and that the

church did not intend to offer and had not offered any more than that.

114) Thus, this was a fraud and a deceit practiced upon the plaintiff by the defendants MINH and LUU in which they misrepresented the nature and substance of the offer or interest in an offer for the land which they had received and misrepresented and falsified the amount of money that had been discussed as the purchase price. This was done wilfully and maliciously with the intent to deceive both me and any bank or lending institution to which I went on their behalf. This was done with the intent to deceive and harm me and make me vulnerable to the further deceits and wiles of these defendants.

115) I and my wife did not see these defendants again until January of 1986,

the same month in which I closed down my van conversion business because of its lack of profitability. At that time my wife and I again became involved with defendants MINH and LUU in this way:

116) The defendants MINH and LUU called me and my wife on the telephone while I and my wife were at our home one evening in early February of 1986. On the telephone defendants MINH and LUU stated that they had heard in the community of the closing of the van conversion business by me and they wished to know if they could come over and visit with me and my wife that evening. I asked my wife if it would be all right and she said yes. Defendants MINH and LUU then came over and visited with me and my family that same evening, making small talk, but discussing no business.

117) These defendants knew how I and my mother-in-law operated together in businesses, with my mother-in-law supplying the capital and I supplying the management skills and experience. They knew that my mother-in-law and I, having closed down the van conversion business because it was not generating sufficient income, would soon be investigating other business opportunities and I now believe that they wished to reestablish friendly relations in order to watch for opportunities to involve me and my mother-in-law in one of their confiscatory schemes in order to take some of their money through fraud and/or extortion as later events showed.

118) The veri next day, the defendant LUU called me at my home and explained that she and defendant MINH had many

debts, law suits, checks being returned, attempts at foreclosure on real estate interests and other such things and that she would like me to work for them for a while to negotiate, settle and compromise these matters in light of all my business experience and English language skills.

119) In fact, I did go to work for these two defendants and, acting as their agent, negotiated many business matters, legal and court claims on their behalf over a period of approximately one and one half months, or up until the end of February or thereabouts, working with a large amount of business papers, contracts and suits filed against defendants MINH and LUU which they had given to me and working out of the oriental specialty food shop at the Mekong Center which defendants MINH and LUU ran or, on occasion, from my

home.

120) It was agreed between me and defendants MINH and LUU that they would pay me between eighteen and twenty-five dollars ($18. and $25.) per hour for this work. However, they did not pay me for all of my work. They did not pay me at all until mid-February, at which time they paid me by check a lump sum amount of one thousand dollars ($1,000.) This was not in accord with the agreement as to rate of payment. Nonetheless, I did continue to handle their affairs for several weeks more with the thought of billing them one more time and seeing if they would then keep their agreement. I tried to do my work well and, with one exception, concerning a suit over some property in which defendants MINH and LUU had dealt with defendant THACH, I was able to

negotiate settlements and compromises of all the deals and legal disputes of these two defendants.

121) Defendants MINH and LUU never intended to pay me for all of my work at the rate which they agreed to. Their oral agreement to hire me proved a fraud and a deceit, designed by them, among other things, to allow them to get close to the plaintiff so that they might know when I and my mother-in-law moved to purchase or start a new business.

122) During this period of February, 1986, in the middle of the month, I applied and was accepted for a position as a guard for the Wells Fargo Company. It took the Wells Fargo company about a week and a half to approved my application and hire me. I was fitted out with a security guard uniform, issued a gun license and

gun and was assigned to a route and was ready to go to work.

123) My wife at this time was offered an office job in the District of Columbia at a salary of seventeen thousand and five hundred dollars ($17,500.) and was ready to accept it.

124) When I informed the defendants MINH and LUU, however, that I was taking such a job, and that my wife was going to take a regular job as well they discouraged me and my wife from doing so vigorously, telling us that we should not take a job working for someone else but should have our own businesses. This was at the end of February.

125) When defendants MINH and LUU discouraged me and my wife about taking these salaried positions, I and my wife told these two defendants that plaintiff

was looking into acquiring a Sunoco gas station dealership. Defendants MINH and LUU then attempted to discourage me from going into the gas station business, telling me and my wife that the work was physically too hard, it was too hard to have to work out in the weather and cold all the time and 126) At this time, unbeknownst to me and my wife and mother-in-law, defendants MINH and LUU and defendant THACH had begun to deal with each other and defendants THACH and VO had been dealing together and had known each other for some time.

127) The two defendants MINH and LUU tried to discourage me from taking such a job with the purpose in mind that they wanted me to again go into my own business with capital from my mother-in-law so that they might, as they subsequently did, in

conspiracy with other defendants, obtain the capital and the business or businesses belonging to me by fraud and extortion. They had a narrower purpose in mind, as what turned out to be part of the scheme of fraud and extortion in which all defendants became involved, i.e., getting me and my wife and mother-in-law, as subsequently became evident, to put our work and capital into the Mekong Center specialty oriental food business which had been neglected and flagging for some time, and me and my wife into believing that they were getting a "deal" to purchase the said business cheap so that my wife and I and mother-in-law would revive the business with new energy, work and capital in order that the defendants MINH and LUU in cooperation with the other defendants might then extort the business back from

us by threats of force and violence and other forms of compulsion as well, such as economic coercion.

128) In 1979 the defendants MINH and LUU opened a restaurant business, a Chinese and oriental restaurant, in the Tysons Corner Shopping Center, Tysons Corner, Virginia. It was a business venture that did not turn out very well. Nonetheless they had high hopes for it and when it first began, defendants MINH and LUU asked my mother-in-law, who is ethnically Chinese Vietnamese, because of her knowledge of Chinese and other oriental food and cooking, to become involved in the restaurant. My mother-in-law refused to become involved and subsequently as the relationship between me and my wife and the defendants MINH and LUU went through its ups and downs, my

wife and my mother-in-law became suspicious of defendants MINH and LUU and came not to think much of them, which these defendants knew. Consequently, to overcome this suspicion and hostility towards them by my wife and mother-in-law, defendants MINH and LUU conceived and then carried out a clever deceit described more fully below, using a Vietnamese palm reader.

129) It was only a day or two after the conversation in which defendants MINH and LUU discouraged me and my wife from taking salaried positions that I had my telephone conversation with the area manager for defendant Sunoco, Ernie Peele in which Ernie Peele revealed to me that I would need seventy or seventy-one thousand dollars ($70,000. or $71,000.) in capital to obtain and start the service

station distributorship as set out above.

130) That conversation on the telephone with Ernie Peele was in the morning about 10:30 AM. Immediately upon finishing my conversation with Ernie Peele on the telephone on that occasion, I quickly called defendant VO on the telephone and told him, as the first person I so told, about the conversation and the amounts of money needed. I told defendant VO about the seventy or seventy-one thousand dollars ($70,000. or $71,000.) total capital needed and that I had access to thirty-five thousand dollars ($35,000.) of it but would need another thirty-five thousand dollars from defendant VO as is stated above.

131) We agreed that defendant VO would come to my house that evening. About 9PM that evening defendant VO came

to my home and we discussed the gas station. I drove defendant VO in my own car to the site of the gas station and showed it to him. Defendant VO said that he was very impressed with the location of the station and the heavy traffic there on Pennsylvania, S.E.. He said he did not see how you could have a gas station site that was much better and, as stated above, he told me to go ahead and call Ernie Peele, he had the money; he had, he said, a hundred thousand dollars ($100,000.) to loan to me if I needed that much, and he said that I did not have to worry about paying it back until I got the business going.

132) A few days after defendant VO had visited with me and viewed the gas station, I thought of how defendant VO had promised the personal loan of two thousand

dollars ($2,000.) earlier as set out above, and how defendant VO had dragged out coming through on his promise and then had shown up with less money than he promised. 133) Therefore, at that time, a few days after defendant VO and I viewed the gas station, I went to the Mekong Center Food Market and talked to defendants MINH and LUU about the gas station business opportunity. Without telling them about the negotiations with VO to borrow the necessary additional thirty-five thousand dollars ($35,000.), I asked them if they could help me obtain that extra amount I needed. Defendants MINH and LUU told me not to worry, that they would give me all the money I needed for the gas station, up to eighty thousand dollars ($80,000.) and that they would borrow it and lend it to me if necessary.

This was a fraud and a deceit. Defendants MINH and LUU had no such money and they knew it, and could not borrow it and they knew it. The statement was made with the intent to induce plaintiff to rely upon such false representation to his subsequent harm and detriment. At this time defendants MINH and LUU again told plaintiff that though they would get him the money for the gas station business, the gas station business was too hard, with the outdoor work in all weather.

134) Unbeknownst to me or members of my family, by the time of these conversations in early March defendants MINH, LUU and THACH had begun to communicate and deal with one another and, as I later learned from the defendants themselves, defendants VO and THACH had been communicating and dealing with one

another for some time. Both defendants MINH and LUU, who were communicating with THACH, on the one hand, and the defendant VO, who was communicating with THACH, on the other hand, were deceiving me and trying to "set me up."

135) The news that I was now very close to going into the gas station business and had half the money I needed caused defendants MINH and LUU to initiate action on the fraud and extortion against me which they were seeking to get underway. They now knew exactly how much money I had,knew they could go after it and that it was readily available, namely thirty-five thousand dollars ($35,000.) and so did the defendant VO for his own scheme of fraud and extortion.

136) I have it on information and belief that it was at this time, in early

March, that the defendants MINH, LUU, THACH and VO began to conspire together in order to deprive me both of his capital and the gas station business I was about to undertake. 137) To do this the defendants had to find a way to get from me the thirty-five thousand dollars ($35,000.) that my mother-in-law was ready to put up. This required getting my wife to change her hostility and persuade the mother-in-law to put the money first into a business that looked like it would have a quick cash return that could then be used to finance the gas station start-up, but once the money was in that business to get the business away from me and my family by fraud and extortion along with whatever the thirty-five thousand dollars ($35,000.) in capital had been put into. It required a business that would

appear to be attractive to my wife and my mother-in-law and which they could oversee without me.

138) When I and my family first came to Northern Virginia in 1976 the Mekong Center specialty oriental food shop run by defendants MINH and LUU, as previously stated, was prosperous and was the center of the local oriental community. It stayed that way up until 1983, at which time as defendants MINH and LUU began to neglect it in favor of their real estate promotions and other deals it began to decline and the customers dropped way off in numbers and loyalty. Whereas from 1976 until 1983, as could easily be seen, the business swarmed with customers and was doing thousands of dollars in business in each day, by 1986 in early March it was doing a hundred dollars ($100) a day or

so. It had been neglected and the stock of food was old and spoiled, so bad that it had become a notorious thing among the local Vietnamese community. It was evident that by replenishing the diminished stock and buying fresh new food goods and putting in hard work the business, given its location and previous good will, with new management could quickly be turned around. It was this condition that set me up to be defrauded in the Vietnamese palm reader ploy by which I was to be defrauded and extorted out of two businesses.

(e) The Vietnamese Palm Reader Ploy

139) The defendants MINH and LUU were anxious to pull off a fraud in which they would purport to sell their Mekong Center

specialty food shop business to someone and then, when the new "buyers" had stocked up the business with new food and supplies and built it back up, they would take the business back, being careful in the meantime to hold out orally to others that the "mark" or "marks" ostensibly buying the business were the new owners but being equally careful to not put anything in writing that would confirm the oral representations and agreements. Using the telephone, the defendants MINH and LUU had previously tried to sell the food center business to several parties for an amount around twenty thousand dollars, but those parties, also Vietnamese, had sensed that it was a trick in which they would not be able to stop defendants MINH and LUU from actually controlling the business even though they,

the would-be purchasers were ostensibly buying it. 140) The defendants MINH and LUU totally controlled the subleasing of all the stores -- jewelry, tailor, video, restaurant, gifts, etc.-- in the Mekong Center, because they held the long term master lease on the entire building.

141) Unbeknownst to me at the time, my wife and mother-in-law, as I later had it on information and belief, several years before the defendants MINH and LUU had kicked out a man and his wife whom the defendants MINH and LUU had taken on as "partners" in the restaurant on the second floor of the Mekong Center building a couple, also ethnic Vietnamese and then, after this couple had invested twenty thousand dollars ($20,000.) or more in this partnership, conducting much of the

negotiation by telephone.

142) This was a fraud similar to that which the defendants MINH and LUU were about to attempt upon my wife and me. Because, in this earlier incident, after the twenty thousand dollars ($20,000.) was invested in the partnership, the defendants MINH and LUU in the meantime having avoided getting into any written agreement with their "partners," these same defendants kicked these two other investors out and attempted to keep their investment without any compensation. On this earlier occasion, however, the deceived individuals, man and wife, sued defendants MINH and LUU and forced a return of their investment. This was a pattern of fraud involving use of the telephone that was about to be repeated upon my wife and me.

143) It was on or about March 6th or 7th, 1986, about two days after I had spoken to defendants MINH and LUU at the Mekong Center food store, that my wife and I were called at home about six o'clock in the evening and defendants MINH and LUU told me that I needed to come to the Mekong Center Food Store right away. I went there right away as asked.

144) I went and met with defendants MINH and LUU at the Mekong Center Food Store at 3107 Wilson Boulevard in Arlington, Virginia right away. The two defendants told me that they had no more time for the food store business because they were too busy with their new development of a large commercial building in Philadelphia, Pennsylvania.

145) The defendants MINH and LUU told me on this occasion that many people had

tried to buy the business of Mekong Center Food Store and that they "had" a buyer, but they did not want to sell to any of them; they wanted to sell to my wife and to me out of friendship and because they liked us. The defendants MINH and LUU told me that they would sell the business to him and his wife for twenty thousand dollars ($20,000.) which they said was a bargain because others had offered them twenty-five and thirty thousand dollars ($25,000. and $30,000.) for the business. This was a fraud and a deceit. There was no firm buyer, as these defendants well knew, whom defendants MINH and LUU "had" and there had not been many offers from buyers and there were no offers of twenty-five and thirty thousand dollars ($25,000. and $30,000.); the same was said in order to induce me to rely upon it,

which I did to my detriment.

146) The defendants asked me to go see if my wife would be interested in us buying the Mekong Center Food Store Business because they knew my wife was suspicious of them. I returned home to do that.

147) After I returned to my home, which at that time was at 2807 Key Boulevard, Arlington, Virginia, near my present home, my wife said that she would be interested in us talking to defendants MINH and LUU about purchasing the Mekong Center Food Business. I telephoned from my home to defendants MINH and LUU at the Mekong Center food store.

148) At my wife's request, I asked these defendants over the phone when they could meet with my wife and me to discuss the purchase of the food business.

Defendant LUU said that she and her husband, defendant MINH could come over that same evening after the food store closed around 8:30 or 9:00 o'clock PM.

149) A little after nine PM that evening defendants MINH and LUU came to my home as they had said they would. Defendants MINH and LUU came in to my home quite excited and very happy. They said that they had just been to the Vietnamese palm reader that day and had a palm reading and fortune telling by cards with a well known Vietnamese lady palm reader and fortuneteller, Mrs. Hieu.

150) The defendants MINH and LUU said they had prayed for good fortune and for the gods to tell them who they would sell their business to. They said that they had selected four people to whom they might sell their food store business,

defendant THACH, an ethnic Vietnamese man from Dallas, Texas, the palm reading lady herself and me.

151) Defendants MINH and LUU said that the first three people had all told them that they wanted to buy the food store business and that they had included me because even though my wife and I had not offered to buy the business they, the defendants MINH and LUU, wanted to sell to us because they were so close to them, like family.

152) Defendant LUU said that first, when the palm reader dealt the cards the card of THACH came up and the palm reader Mrs. Hieu told about THACH, (The palm reader not knowing by name who she was describing) and said that he was not suitable for the defendants MINH and LUU to sell their business to. The second

person whose card came up was the man from Dallas and the reading on him was not suitable as the person to sell to either. Then the card of the palm reader herself came up and the reading showed that she was not the one either. Finally my card came up and I turned out to be the one that the fortune teller predicted that these defendants should and would sell to.

153) This all was a concocted deception and fraud. By the nature of this type of fortunetelling with cards, the palm reader or fortuneteller does not know the names associated with the numbered card (a regular 52 card deck is used) and so there is no way to verify defendant LUU's story independently of her word, which was false and fraudulent on this occasion.

154) Later, after my wife and I had entered into running the Mekong Center food store and thought we were buying it, and had begun to order new, fresh food, I called Mrs. Hieu the palm reader on the telephone and was surprised to be told that Mrs. Hieu had no interest in purchasing the food store, had made no offer for it and said that she had no such capital as twenty thousand dollars ($20,000.) and knew nothing about the food business and had no interest in buying such a business.

155) So the same was a deception and fraud, committed with use in part of the telephone. There was no bona fide offer from THACH though THACH later, as part of the fraud and extortion in which he, unbeknownst to me at the time, was a co-conspirator, told me that he had made

such an offer. There was no man from Dallas who had made an genuine offer. All of this was a fraud and a deception, represented to my wife, my mother-in-law and me to be true when it was known not to be true and designed to play upon my wife's faith in palm reading and fortunetelling, of which these defendants knew. It was a fraud and deception which defendants intended my family and me to rely upon as we did to our harm and detriment and it was designed to get my wife, my mother-in-law and me to put our capital and energy into the food store business and get it going again so that these defendants and the others could extort it from us, as they did.

156) The defendants MINH and LUU pressed upon my wife and me again that though they had offers of twenty-five and

thirty thousand dollars ($25,000. and $30,000.) for the food store business they wanted to sell to me and my wife for plaintiff and his wife for only twenty thousand dollars ($20,000.) because they liked them and they were like family.

157) My wife and I told these defendants that we would like to think over the offer which these defendants had made to buy the food store business and that's how it was left that evening when the defendants MINH and LUU left my home about 10 PM or so.

158) The next morning I, after conferring with my wife and with my mother-in-law on the matter, called the defendants MINH and LUU at the Mekong Center Food Store about mid-morning. Defendant MINH answered the phone and I informed him that though my wife and I

thanked them very much, we were not very interested in going into the food business by purchasing the Mekong Center food store business because our capital was committed to the Sunoco gas station dealership we were applying for and we needed it for that, that my wife would be needed to help start up the gas station and that my wife and I would not have enough employees or enough of our own time to run two businesses.

159) Defendant MINH replied that he and defendant LUU would come over that evening again after closing the food store and would (English translation of Vietnamese) make my wife and I more happy with the food store than the gas station. This was on about the 7th or 8th of March.

160) That evening, after the hour of

closing of the food store at the Mekong Center, the defendants MINH and LUU again came over to my home and talked to my wife, me and my mother-in-law, Mrs. Phan Tu Anh. At this time the defendants MINH and LUU made a great effort to persuade my wife, my mother-in-law and me that my wife and I should buy from them, the defendants MINH and LUU, the food store business, and not go into the gas station business.

161) In an attempt to thus persuade my wife, my mother-in-law and me, whom they knew to be the ultimate source of the capital, the defendants MINH and LUU on this night stressed the arduous nature of gas station work, working out in the weather at all hours, and particularly for my wife, if she had to pump gas and help with mechanical work and do all the other things required in a gas station.

162) At this time the defendants MINH and LUU stressed to my family and me that they, MINH and LUU, were completely preoccupied with their new commercial real estate project in Philadelphia where they were buying two large three-story buildings. They described at great length this development and said how they "had" (translation from Vietnamese) many oriental food stores and other shops to fill the ground floors, condominiums were going to be upstairs in the top floors and how they "had" a law firm and doctors and other professionals to take the offices and condominiums. The stressed to my family and me that they were so preoccupied with the development of this project in Philadelphia that they did not have time to give to a business as small as the Mekong Center food store on Wilson

Boulevard in Arlington. They begged the plaintiff and his wife to take over the Mekong Center food store business on Wilson Boulevard.

163) The defendants MINH and LUU addressed the concern of his wife over sufficient capital, even if they took on both businesses at the same time, by stating that they "had" a bank president whom they had taken to dinner who had promised them up to five million dollars ($5,000,000.) in loans. "Don't worry about the money," they said (translation) "We have the bank president who has promised us five million dollars ($5,000,000.)" "We can make a note, you don't have to pay the money for the business, we put up the money and you can sign a note. All we want is to help your wife to have a good business."

(Translation into English.)

164) This was all a fraud and a deception, designed to entice my wife and me so that I might purchase the food store business, invest the capital from my mother-in-law in new food stock and the labor of my wife and me in the revival and rebuilding of the food store business so that the defendants then might extort from me my interest thus acquired in the food store business. The defendants MINH and LUU did not "have" such a banker. What they had was the defendant THACH as co-conspirator to pose fraudulently as such a banker, which is what subsequently he did.

165) Even with all this, my family and I still said that we wanted to think it over, because, as they stated it to these defendants, it seemed like two

businesses at once might be too much. Defendants MINH and LUU then left.

166) Again, the following morning, on March the 8th or 9th or thereabouts, I telephoned the defendants MINH and LUU at the Mekong Center food store about 10 AM. Again I informed these defendants that my wife and I had decided that two businesses were too many for our available resources, of capital, manpower and time, and that we had decided that we had better concentrate on the service station business.

167) Again, the defendants MINH and LUU expressed the concern that my wife and I were doing the wrong thing and that they, MINH and LUU were so busy with their big new commercial real estate project in Philadelphia, Pennsylvania, that they did not have time to run the Mekong Center food store. Defendants MINH and LUU asked

if they could again come over that evening and discuss the matter further.

168) That evening, of March 8th or 9th, the defendants MINH and LUU again came to my home about 9PM or so. Now the defendants MINH and LUU changed their tune. Instead of attempting again to convince my wife and me that we should invest in the Mekong Center food store by buying it for twenty thousand dollars ($20,000.) instead of investing in the Sunoco lease and dealership, the defendants MINH and LUU now changed their tune and attempted to convince my wife and I that my wife, my mother-in-law and I should invest in both businesses.

169) The defendants MINH and LUU now stated to my family and me that the money would be no problem because they had the arrangement with their friend whom they

said was the owner and president of the Bank and who had promised to lend them up to five million dollars ($5,000,000.) They asserted that they could easily arrange for me to borrow fifty-thousand dollars ($50,000.) from this bank as a small portion of this pledge from the owner and president of the bank and my wife and I could then pay to these defendants twenty thousand dollars ($20,000.) of that loan as the purchase price for the Mekong Center food store business and have the other thirty thousand dollars ($30,000.) to buy food and other inventory for the store from suppliers.

170) This, as stated before, was a fraud and a deceit, a repeat of the similar fraud and deceit on the previous evening, designed to "set me up" for the

extortion that was to follow.

171) To this, however, on this night I replied that I could not borrow from the bank because my credit would not allow it, since I had a bankruptcy on my record with the credit bureaus. bankruptcy on his record with the credit bureaus.

172) Then I told the defendants MINH and LUU the story of how I had been extorted out of a gas station dealership business previously that was also a dealership of the defendant Sunoco as set out more fully below. This was in 1982 in Prince George's County, Maryland and, as I explained it resulted in me being advised by my lawyers, who had been recommended by the defendant Sunoco, that unless I had thirty-six thousand dollars ($36,000.) to pay the lawyers, the man who extorted that station business from me was so strong and

politically well-connected that my only recourse was to file for bankruptcy to avoid having to pay the extortioner, who was also my lessor, the balance of a ten year lease that had only run two years.

173) The defendants MINH and LUU responded to this story that they were very sorry that this had happened to me and asked the question: "Why this country have no law ?" (translation from Vietnamese). They then said that was no problem in the present situation, however, because of their close friend whom they "had," the bank owner and president, and that they would just co-sign the fifty thousand dollar ($50,000.) note with my wife and me and the matter would be taken care of.

174) This was again a fraud and a deceit, as defendants MINH and LUU well

knew. Not only was it a deliberate misrepresentation as to the bank officer and owner and the availability of a loan, designed to induce my wife and I to act upon it to their harm, but it was also a fraud designed to set me up for the ensuing extortion in that while representing to me that my past experience with extortion that caused him to have to file bankruptcy would not be a problem in reality defendants MINH and LUU well knew it would be a problem because defendants MINH and LUU intended even then to do just what had been done to me in the earlier incident, relying upon the ineffectuality of the law in this country, and the same technique practiced upon me in this earlier incident, to extort from me the business they were inducing my wife and I to buy.

175) The defendants MINH and LUU told my family and me on this occasion that they were like family to my wife and me and that they thought the best thing for us was to both buy the Mekong Center food store and invest in the Sunoco dealership, because, they said plaintiff could run the gas station and his wife could run the food store.

176) My wife, my mother-in-law and I said that they would talk about the offer and decide.

177) The defendants MINH and LUU left. As they left, my wife asked that if she and I wanted to sign a lease for the space and open up the business as the new owners what would be an auspicious day to open the business (referring to astrological influences.) The defendant LUU replied that she did not know but that

she would consult and find out and let my wife know.

178) My family and I ate dinner and discussed the offer. My wife, who had been mistrustful of the intentions of defendants MINH and LUU now said that she was convinced that if defendants MINH and LUU would actually borrow money to enable my wife and me to make the purchase of the food store business then she believed that these defendants really wanted to help her and me and not just to sell the business and that if we would borrow the money we should go ahead and buy the food store business with the borrowed twenty thousand dollars ($20,000.) from the total of fifty thousand dollars ($50,000.) that defendants MINH and LUU were going to borrow with us from the bank.

179) After this dinner discussion on

or about the 8th of March, 1986, I called the defendants MINH and LUU at their home and told them of my wife's decision that my wife and I should go ahead and accept their offer and take over as owners of the business.

180) I then turned the telephone over to my wife who asked the defendant LUU what would be a good day for her and when the defendants MINH and LUU would sign the lease. My wife also asked the defendant LUU what she could do about the fact that my helpers and I would be tied up with opening the new gas station dealership and would not be able to help her much in getting the food store business going again.

181) The defendant LUU told my wife that she would consult and determine the most auspicious day for my wife and I to

open the Mekong Center food store as our new business. Defendant MINH and LUU also told my wife that they would consult and find out what was the most auspicious day to sign the lease and let her know soon. As to the problem of help, the defendant LUU said that she had a man who had worked in the Mekong Center food store for her and her husband for the past ten years who knew the store and the business and all the suppliers and she would get him to work for my wife and me now that we were taking over the business.

182) Again this astrological talk about auspicious days and signs on the part of these two defendants was a fraud and a deception designed to induce my wife and me in particular, to rely upon it to our detriment, as we did. It was known to be false. Although defendant LUU

subsequently represented that she had consulted and found that a mere two days later was the most auspicious day for my wife and me to "open" a new business by entering into the running of the Mekong Center food store and taking over the running of it in fact this representation was not based upon any reading of astrological signs or other such indicators but upon the fraudulent scheme and conspiracy of the defendants to defraud and extort from my wife and me.

183) Similarly, defendant LUU, in order to forward this scheme of fraud and extortion, never obtained or determined a "good" day for the lease to be signed as the plan which she and the defendant MINH had from the outset was to stall and delay and never sign the promised lease in order to deceive my wife and me into putting our

capital from my mother-in-law into new food inventory and entice my wife and me into building up and turning around the business to the point where it would be quite valuable and worthwhile to the defendants to extort it from us. So the representation that she would find an auspicious day for the signing of the lease was a fraud and a deceit intended to induce my wife and me to rely upon to our detriment, which we did.

184) During that same telephone discussion from our home to that of defendants MINH and LUU, after my wife and I told them of our decision to go ahead and purchase the Mekong Center food store, discussed with my wife and me the lease that was necessary for the operation of that business.

185) My wife and I asked these

defendants what kind of lease the business had, since it was obviously one of several businesses in shopping center. My wife and I asked what kind of lease we would be able to have now that we had decided to buy the business.

186) The defendants MINH and LUU replied that the lease would be for sixteen months, with an option to renew for five years after that, because, they said, that was the period of the balance remaining on the original term of thjje master lease that covered all the stores in the center and it had an option at the end of that term for five years. Therefore, they said, that I and my wife would have to enter a lease that conformed to this master lease: $2,000.00 per month for the sixteen months and for the five yuear period of the renewal option, if

exercised.

187) The next day the defendant LUU called me and my wife on the telephone at our home and informed us that a "good" day for "opening" the new business would be two days from then, on March 11.In this telephone conversation, the defendants MINH and LUU both told both me and my wife that the day March 11, 1986, was also a "good" or auspicious day for signing the lease for the new business and that they, defendants MINH and LUU,would have the lease ready for me and myh wife to sign on that day.

188) This was a fraud and a deception designed to induce me and my wife to rely upon it to our detriment, which we did, and it was well known to the defendants MINH and LUU that they had no intention of signing such a lease and intended to get

the capital and effort that my wife and I had invested into the business so that they, the defendants, might extort the business from me and my wife without compensating us.

189) That same day, March 9, 1986, I called defendant VO on the latter's "beeper" and soon defendant VO called back on the telephone and we talked. I told defendant VO about the decision of me and my wife to go forward with buying the Mekong Center food store, but explained the arrangement that defendants MINH and LUU had offered to borrow the money for us by co-signing for the purchase money for the business and for the needed new inventory from suppliers, so that my capital from my family for the gas station would not be affected.

190) The defendant VO expressed no

surprise, but said immediately; that is a good business and a good opportunity, a very good location, everybody knows it, with MINH and LUU gone, they will buy much and be your customers because nobody likes MINH and LUU. Go ahead, Mr. Hoai, and buy that business, he said, you will make a lot of money. The defendant VO even volunteered to bring help from his "large" construction firm to help out at the gas station and get involved in getting the gas station going himself in order, as he put it, to enable me and my wife to get the food store business going and make much money.

191) This was a fraud and a deception designed to induce me to rely upon it to my detriment, as I and my wife did. did. Defendant VO had no large construction firm and no such employees to move into

the gas station. I understand on best information and belief that defendant VO and the defendants MINH and LUU were in communication with each other, through defendant THACH or on their own, unbeknownst to me and my family at this time and the fraud was designed to provide an excuse for defendant VO to get into the gas station where he might, by fraud and extortion, deprive me of my own business and exclude me from it, since defendant VO on his own account could never meet the qualifications to own and operate a gas station distributorship. He had no employees who could be moved into the gas station to help out, but through various subterfuges and representations, many of them false and fraudulent in their own right, planned to find individuals whom he felt he could control, by such strategems

as not paying them, so that they would be financially dependent upon, or otherwise controlled by, himself so that they might have no economic alternative but to aid him in the extortion scheme.

192) Defendant VO encouraged me and my wife to go forward with the Mekong Center food store business as a fraud and deceit in order to facilitate the defendants MINH and LUU in their plan to strip me and my wife of our capital by continually postponing any lease or other document solidifying the purchase of the food store business while enticing me and my wife into using up their capital by having to buy new food inventory for the store because of the unusable old food there, with the belief being induced in me and my wife that we could sell the food and get the capital back for the gas

station as we quickly improved the food center business.

193) The next day, the 10th of March, with my wife, I went to the Mekong Center food store, relying upon the promises of the defendants MINH and LUU and the encouragement of the defendant VO and with our own supplies and materials fixed up and repainted the Mekong Center food store, which was badly run down and damaged. We fixed broken shelving and other fixtures, organized and arranged what stock seemed to be salvageable and got rid of what was obviously unfit and unusable.

194) When we arrived at the food store that day, about 8:30 AM, we saw defendants MINH and LUU there with another gentleman, rather stocky, all three standing in the store beside the cash

register. This third gentleman stayed another five or ten minutes and then left. These defendants did not introduce him to me at that time.

195) On that occasion, after the stocky man left, defendants MINH and LUU introduced me and my wife to everyone around, including the owners of the other businesses in the Mekong Center, as the new owners of the food store business to whom they, the defendants, were selling it. .

196) After defendants MINH and LUU introduced me and my wife all the way around to the other shopowners in the complex, my wife and I did our cleaning and fixing up as described above.

197) During this time of cleaning and fixing up of the premises I and my wife specifically asked the defendants MINH and

LUU: "What about the lease ?" Defendant MINH and LUU responded, saying that i would be ready for me and my wife to sig the following day.

198) This was a fraud as defendant MINH and LUU were merely inducing me an my wife to continue their work to build u the business by these misrepresentations They had no intention of allowing eithe me or my wife to own the business an longer than necessary to get the availabl capital of me and my wife tied into th business so that the defendants migh extort the business from them with th capital input of the plaintiff and hi wife and all the benefits therefrom to th business.

199) This was a fraud in anothe regard as well in that the defendants MI and LUU had a lease themselves, written i

English, with the owners of the buildin which housed the food market, th restaurant, the jewelry store, and all o the other Mekong Center activities. Thi lease, as it turns out, I have o information and belief, and as wa subsequently claimed by these same tw defendants, forbids subleasing unless th subleases be expressly approved in writin by the prime lessor. Nonetheless, th defendants MINH and LUU with almost al their subtenants, who, like them, wer ethnic Vietnamese, entered into "papers or leases written in the Vietnames language which were never disclosed to th prime lessor, never even translated int English in most instances, and which wer never approved by the prime lessor. Thu the representation by these two defendant that they had the authority and power t

so sublease was a false and fraudulent representation.

200) On this day, March 10, 1986, while my wife and I were cleaning up and reorganizing the food store they naturally observed that much of the food in stock was very old. The dried food in packages was old. The canned food was old and much of it beyond its expiration date. Many cans were visibly rusty and the seal of many cans and jars was visibly broken. Much of the food was in cans and jars that were damaged to the extent that the odor of spoiled food could be smelled coming from the cans or jars. Many containers of glass or plastic that were transparent could be seen to contain food that was visibly spoiled. My wife and I knew, upon information and belief at that time, from what we had heard from many in the local

Vietnamese ethnic community, that the defendants MINH and LUU were trying to sell old food and that this was part of the reason why the business of the Mekong Center food store had declined. That was why my wife and I had not been willing to agree to buy into the business until the defendants MINH and LUU had promised to arrange and co-sign for me and my wife to borrow the fifty thousand dollars ($50,000.) and so that my wife and I might use thirty thousand dollars ($30,000.) of this borrowing to buy new inventory. But still I and my wife were not prepared for, and were surprised by, just how bad it was and how much spoiled and rotten food there was.

201) In response to the expressions of surprise and even disgust by me and my wife as to how much rottenness and

spoilage there was, including evidence of rodent and insect damage, the defendants MINH and LUU told me and my wife two things that were not so, one that constituted a further fraud upon me and my wife and the second of which revealed a past pattern of racketeering activity on the part of these defendants in the form of fraudulent insurance claims using the mail and which would be repeated in front of me subsequently.

202) First, the defendants MINH and LUU represented at this time to me and my wife that the reason the food was old was that they, the defendants MINH and LUU, had been so busy with their big real estate project in Philadelphia, Pennsylvania, that they had had no time to order new food or keep up the business of the Mekong Center food store. These

defendants stated that that was the only reason the food was so old and they stated further that they had paid all the suppliers who sold food wholesale to the food store up to date and that the credit of the food store and the defendants MINH and LUU with the food wholesalers who supplied the store was good.

203) Secondly, when I was prepared to throw away some old, spoiled, rotten food that was in broken and damaged containers and unfit for sale the defendant LUU told him not to throw it away but to store it down in the basement (the basement of the Mekong Center building was used as storage for the food store) and she would show him how to make money out of it. She personallyh told me thatearlier she had had some old food like that and she knew how to flood the food in the basement and